

To: Market Participants
From: FTSE/JSE
Date: 27 March 2023
Subject: Notes from the FTSE/JSE Africa Index Series Advisory Committee Meeting held on Thursday, 2 March 2023

1. Background

The FTSE/JSE Africa Index Series Advisory Committee (AC) met on Thursday, 2 March 2023 to discuss matters relating to the FTSE/JSE Africa Index Series. The items listed below were discussed during the meeting.

2. Quarterly Review Summary

The two tables below provide a summary of the changes made to the key indices and the largest changes in ranking at the March 2023 Quarterly Review.

2.1 Changes to Key Indices

Index	Additions	Deletions	SII Changes	FF Changes	Largest Up*	Largest Down*	Projected Max Weight	1 Way Churn
All Share	RCL	MUR,SNH,ZZD,RFG	11	23	CFR (0.25%)	NPN (0.72%)	CFR (17.49%)	1.37%
Large Cap		DSY,SSW	3	8	CFR (1.10%)	SSW (1.64%)	CFR (23.74%)	3.95%
Large and Mid Cap		BAW,FFA,FFB,ZZD	7	18	CFR (0.34%)	NPN (0.71%)	CFR (18.28%)	1.73%
Mid Cap			4	11	N91 (0.03%)	MCG (0.15%)	NED (5.96%)	0.32%
Top 40			5	9	CFR (0.33%)	NPN (0.81%)	CFR (20.11%)	1.45%
SWIX 40			5	9	GFI (1.03%)	NPN (1.29%)	NPN (12.69%)	2.41%
Capped SWIX 40			5	9	GFI (1.14%)	NPN (2.47%)	NPN (8.64%)	3.87%
Eq Wgt 40			5	9	AMS (0.95%)	SLM (0.51%)	ALL (2.5%)	5.47%
Resi 10			0	2	AGL (0.44%)	GLN (0.71%)	AGL (44.21%)	0.88%
Fini 15			2	1	ABG (0.01%)	INL (0.06%)	FSR (20.54%)	0.07%
Indi 25			3	6	CFR (0.87%)	NPN (1.3%)	CFR (35.98%)	2.01%
All Property			0	4	GRT (0.67%)	NRP (1.42%)	GRT, NRP (15.00%)	1.54%
Tradable Property			0	3	RDF (0.88%)	NRP (1.32%)	GRT, NRP, RDF, (15.00%)	2.23%
SAPY			0	1	SRE (0.20%)	NRP (0.04%)	NRP (21.21%)	0.20%
Div+	SAP,SHP,SPP,TFG,ARI	BAW,GLN,MNP,NPH,RBP	3	4	TGA (11.30%)	BAW (2.76%)	TGA (20.30%)	28.91%

*Shows the projected increase/decrease in percentage weight within the index

2.2 Largest Changes in Ranking

All Share constituents compared at March 2023 and December 2022 Quarterly Reviews.

Noteworthy Top 40 Instruments					
Alpha	Instrument	Mar Rank	Dec Rank	Move	Comment
ANH	Anheuser-Busch InBev SA NV	24	31	7	Largest Top 40 up
SLM	Sanlam Ltd	18	22	4	2nd Largest Top 40 up
NPH	Northam Platinum Hldgs Ltd	25	29	4	2nd Largest Top 40 up
AMS	Anglo American Plat Ltd	31	25	-6	Largest Top 40 down
CLS	Clicks Group Ltd	32	27	-5	2nd Largest Top 40 down
Largest Decrease in Ranking in Main Board					
Alpha	Instrument	Mar Rank	Dec Rank	Move	Comment
SNH	Steinhoff Int Hldgs N.V.	177	106	-71	Deleted from All Share Index
GSH	Grindrod Shipping Hldg Ltd	122	98	-24	Remains in Fledgling
MUR	Murray & Roberts Hldgs	182	164	-18	Deleted from All Share Index
PIK	Pick n Pay Stores Ltd	68	54	-14	Remains in All Share
TEX	Texton Property Fund Ltd	203	189	-14	Remains in Fledgling
Largest Increase in Ranking in Main Board					
Alpha	Instrument	Mar Rank	Dec Rank	Move	Comment
EOH	EOH Holdings Ltd	190	213	23	Remains in Fledgling
PPC	PPC Limited	125	141	16	Remains in All Share
HMN	Hammerson plc	55	67	12	Remains in All Share
LSK	Lesaka Technologies Inc	128	140	12	Remains in Fledgling

3. Feedback on the FTSE/JSE Africa Index Series

3.1 Inter-Review Index Amendments

The table below summarises all intra-quarter index adjustments made to the All Share and Top 40 indices since the December 2022 review:

Amendment Type	Top 40 Index	All Share Index	Top 40 Notes
CA - Constituent Addition	-	1	
CD - Constituent Deletion	-	1	
CI - Capitalisation Issue	-	-	
CP - Special Dividend	-	4	
DV - Dividend	7	44	
RI - Rights Issue	-	-	
IC - Weight Change	-	-	
IS - Shares Update	-	1	
NC - Name Change	-	3	
SS - Classification Change	-	2	

3.2 Barloworld unbundling of Zeda Limited

On 21 November 2022, Barloworld made an announcement to unbundle Zeda Limited as part of its strategy to create a business-to-business operating model focused on Industrial Equipment and Services and Consumer Industries.

The Unbundling would be implemented by way of the listing of 189,641,787 Zeda ordinary shares, comprising 100% of the issued ordinary share capital of Zeda, followed by a pro-rata distribution in specie of such JSE-listed Zeda Ordinary Shares for no consideration.

On 6 December 2022, an [ICA](#) was published indicating that Zeda will be added to the Indices that Barloworld was a constituent of.

3.3 Massmart Holdings Deletion

On 29 August 2022, Walmart made an announcement to secure full ownership of Massmart by way of a scheme of arrangement. The acquisition was part of the implementation of the Massmart's business plan and will include the ongoing development of its e-commerce strategy, which will require further intervention operationally and significant additional financial investment.

On 9 November 2022, an [ICA](#) was published detailing Massmart's deletion from the indices it was constituent of.

4. Matters Arising from Previous Meetings

4.1 Ground rule update: Free float review cut-off date

FTSE/JSE sent out a market communication regarding ground rule updates in relation to the data cut-off date. Per the updated rule *"Quarterly updates to free float will be applied after the close of business on the third Friday of March, June, September and December. The data cut-off for these quarterly changes will be the close of business on the last business day of the month on January, April, July, and October, respectively"*. An [Informative Notice](#) was published outlining the ground rule change.

4.2 Ground Rule update: Equally Weighted Fixed Indices

Section 6 of the ground rules have been amended to reference changes to constituent companies. The ground rule impacts the fixed constituent equally weighted indices. The new ground rule reads *"If the effect of a merger or takeover is that one constituent in the FTSE/JSE Top 40 is absorbed by another constituent, the resulting company will remain a constituent of the appropriate index, and a vacancy will be created. This vacancy will be filled by selecting the highest ranking security in the appropriate Reserve as at the close of the index calculation two days prior to the deletion and related indices adjusted in accordance with Rule 6.2. For all the FTSE/JSE Fixed Constituent Equally Weighted Indices, the resulting constituent will retain the weight of the acquiring company in the merger (i.e. there will be no change to the acquiring company's weight) and the replacement constituent will take the weight of the company being deleted from the index in the merger"*. An [Informative Notice](#) was published and the rule was effective on 5 January 2023.

The next AC meeting will be held on Thursday, 1 June 2023.

For further information, please contact the FTSE/JSE Indices Department.

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